

SENATE BILL REPORT

SB 5606

As of February 18, 2009

Title: An act relating to creating the Washington investment in student excellence scholarship program.

Brief Description: Creating the Washington investment in student excellence scholarship program.

Sponsors: Senators Kastama, Shin and Murray.

Brief History:

Committee Activity: Higher Education & Workforce Development: 2/17/09.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Wendy Malkin (786-7434)

Background: The Higher Education Coordinating Board (HECB) is a ten-member citizen board that administers the state's student financial aid programs and provides strategic planning, coordination, monitoring, and policy analysis for higher education in Washington.

The State Board for Community and Technical Colleges (SBCTC) is responsible for providing leadership and coordination for the community and technical college system.

The HECB administers several scholarship programs, including the Educational Opportunity Grant, the GET Ready for Math and Science Scholarship, the Passport to College Promise Scholarship, the College Bound Scholarship, and the Washington Promise Scholarship. The Educational Opportunity Grant is designed to encourage individuals with an associate degree or two years of college credit to obtain a degree from a four-year institution. The remaining three scholarships are designed to encourage identified groups of high school students to attend college.

The SBCTC administers the Opportunity Grant, which is designed to support students obtaining a certificate, degree, or credential in a high-demand occupation at a postsecondary institution.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Revenue generated from the State Lottery can be used only for lottery administration, stadium bonds, the Stadium and Exhibition Center Account, the Education Construction Fund, and Student Achievement Fund. The lottery generates about \$100 million per year for education.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): The Washington Investment in Student Excellence Account is created. Starting July 1, 2009, education money from the lottery must be placed in the account. Money in the account may be used for only the Educational Opportunity Grant, the GET Ready for Math and Science Scholarship, the Passport to College Promise Scholarship, the College Bound Scholarship, the Washington Promise Scholarship, and the Opportunity Grant. The HECB may authorize expenditures from the account.

Appropriation: None.

Fiscal Note: Requested on February 4, 2009.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Our budget shortfall is getting worse, and this bill is a possible solution to some of our problems. Right now the lottery is marketed only for personal benefit; it is not marketed as a way to support a good cause such as education. In Georgia, the lottery is marketed as a way to support scholarships for education. In Georgia, going to college on scholarships from the lottery has become part of their culture. Georgia's lottery does very well because of this message. Washington lottery sales could increase if our lottery could advertise with a similar message. Creating a way to coordinate additional money for scholarships is a good thing.

OTHER: Currently, profits from the in-state lottery games are distributed as follows: one-third of unclaimed prizes goes to CTED; a portion goes to stadium funding; and the remaining amount goes to the Education Construction Fund. The profits received from the Mega Millions, a multi-state game, are distributed as follows: one-third of unclaimed prizes goes to CTED; .0013 percent of net win goes to problem gambling; and the remainder goes to the General Fund if the Education Construction Fund received \$102 million through profits from the in-state games. If it did not, profits from Mega Millions are put into the Education Construction Fund until it receives \$102 million. Any remaining money goes to the General Fund. Under SB 5606, profits from the in-state games will be distributed as they are now, except the remainder of the money will go into the new scholarship account rather than the Education Construction Fund. Under SB 5606, profits from the Mega Millions will be distributed as they are now, except it is less likely money will remain for the General Fund because the Education Construction Fund must still receive \$102 million before money can go to the General Fund.

Persons Testifying: PRO: Senator Kastama, prime sponsor; Steve Lindstrom, NW Career College Federation; Gail McGaffick, Corinthian Colleges, Inc.

OTHER: Arlen Harris, Washington's Lottery.